as a result of an unanimous decision taken by a Conference of Chief Ministers held on 16th November 1999. This Resolution has been reiterated, in subsequent conferences of Chief Ministers, on 22nd June 2000,5th July 2001 and 18th October 2002.

As per Entry 54 of List II (State List) of the Seventh Schedule to the Constitution, tax on sale or purchase of goods is a State subject. On the recommendations of the Chief Ministers' Conference held on 22nd June 2000, an Empowered Committee of State Finance Ministers was constituted to deliberate on matters relating to implementation of VAT by the States/UTs. Any decision regarding representations of trade and industry and the procedures to overcome shortcomings of State VAT, if any or rescheduling of VAT has to be taken by this Empowered Committee, which meets from time to time.

The Government of India is committed to respect the concept of fiscal federalism enshrined in our Constitution. Accordingly, the Union Government is acting only as a facilitator in this tax reforms process undertaken by the States unanimously.

Loss in forward deals by SBI Capital Market Ltd., Chennai

*454. SHRI ABU ASIM AZMI:
SHRI AMAR SINGH:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that SBI Capital Market Ltd., Chennai, incurred a loss of Rs. 16.25 crores in respect of four ready forward deals entered into with a private firm;

(b) if so, the details thereof including the names of private firm; and

(c) whether senior officer of SBI CAP was found involved in this matter and if so, the details thereof and action taken thereon?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) Yes, Sir.

(b) A company by the name of M/s. Growmore Assets and Management Co. Ltd., belonging to late Shri Harshad S. Mehta offered to sell units of Unit Trust of India's 1964 Scheme to the SBI Capital Market Limited and agreed to repurchase them at a pre-determined price. Their details are:

Details of Transactions

Value date	amounts in Rs.	Tenor	Maturity Date	Nature of underlying assets (in lacs)-Units of UTI's 1964 Scheme
30-3-1992	4,25,00,000	30 days	29-4-1992	28
3-4-1992	4,00,00,000	31 days	4-5-1992	27
20-4-1992	3,00,00,000	30 days	20-5-1992	20
21-4-1992	5,00,00,000	15 days	6-5-1992	33
Total	16,25,00,000			108

SBI Capital Market Limited has filed a Miscellaneous Petition in the Special Court, Mumbai, against Shri Harshad S. Mehta and Custodian in November, 1992 praying to pass an appropriate order directing that out of the assets of the Shri Harshad S. Mehta, payment to be made to SBI Capital Market Limited for a sum of Rs. 18.65 Crores (Rs. 16.25 Crores + interest till 12.11.92) and further interest at the rate of 25% per annum. After the death of Shri Harshad S. Mehta in December, 2001, the petition was amended by bringing the legal heirs of late Shri Harshad S. Mehta as respondents. The matter was last heard on 7th October, 2002 and adjourned by the Court. An order was passed that the matter could not be heard at that stage since it is in respect of distribution and shall be heard at the final stage which is yet to reach.

(c) SBI Capital Markets Limited has informed that the action taken against Shri C. Gopalraj, the then Head of Chennai Regional Office, Shri C.R.L. Narasimham and Shri S.K. Kumar, the officials who dealt with the transactions. Shri C. Gopalraj, General manager, SBI was removed from service on 17-12-1995. Shri S.K. Kumar, Chief Manager, SBI was dismissed from the service on 23-3-1998. In the case of Shri C.R.L. Narasimham, Assistant General Manager, while the Appointing Authority had issued orders of his dismissal, in view of certain directions of the Appellate authority and the Central Human Resources Committee the matter is still to be decided.